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MACROECONOMIC POLICY QUESTIONS

SECTORAL POLICY QUESTIONS

SUSTAINABLE DEVELOPMENT AND INTERNATIONAL ECONOMIC COOPERATION

Letter dated 5 February 1998 from the Permanent Representatives of Bangladesh, India and Pakistan to the United Nations addressed to the Secretary-General

On behalf of the Governments of Bangladesh, India and Pakistan, we have the pleasure of forwarding herewith the text of the Joint Declaration of the Bangladesh-India-Pakistan Business Summit, held in Dhaka on 15 January 1998.

It is requested that the present letter along with the text of the Joint Declaration be circulated as a document of the General Assembly under items 94, 95 and 96 of the preliminary list.

(Signed)
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ANNEX

Joint Declaration of the Bangladesh-India-Pakistan Business Summit, held at Dhaka on 15 January 1998

1. At the invitation of the Prime Minister of the People's Republic of Bangladesh, Her Excellency Sheikh Hasina, the Prime Minister of the Republic of India, His Excellency Inder Kumar Gujral, and the Prime Minister of the Islamic Republic of Pakistan, His Excellency Mohammad Nawaz Sharif, visited Bangladesh for the Bangladesh-India-Pakistan Business Summit. The Prime Ministers met at the Summit in Dhaka on 15 January 1998.

2. Noting that Bangladesh, India and Pakistan together have a population of more than 1 billion, the Heads of Government recalled that these countries possessed vast human and natural resources which offered great opportunities for economic and social development for the benefit of their peoples. The pervasive poverty in these countries warranted urgent action for accelerating the growth process. It was felt that an environment of peace and security within the framework of the objectives, principles and provisions of the Charter of the South Asian Association for Regional Cooperation (SAARC) was essential for rapid and sustained progress. The Heads of Government pledged their commitment to consolidate and strengthen the ongoing efforts to achieve sustainable development.

3. The Heads of Government welcomed the opportunities presented by the globalization of the world economy but expressed concern that this posed special difficulties for the developing countries. They emphasized that the continued positive participation of developing countries, particularly the least developed countries, in the global economy, required a fair and supportive international economic environment.

4. The Heads of Government noted that many developing countries are engaged in liberalizing their economies and have contributed significantly to the growth of world output and trade. They need greater access to markets in the developed countries and to capital and technology in this process.

5. Having noted that foreign direct investment has been growing rapidly over the last few years, linking national economies and influencing the economic growth and welfare of developing countries, the Heads of Government observed that the flow of foreign direct investment (FDI) has been uneven. They emphasized that the South Asian region was an attractive destination for FDI, with its abundant availability of natural resources, skilled labour at competitive rates and a combined market of over 1 billion people. The Heads of Government agreed on the need for harmonization of relevant laws, rules and regulations of the three countries for promoting foreign investment.

6. The Heads of Government noted that there was considerable scope for promoting investment through mutual cooperation. There were opportunities for setting up joint ventures for serving both domestic and export markets. They underscored the need for arrangements for investment promotion and protection,

avoidance of double taxation and a mechanism for settlement of commercial disputes.

7. The Heads of Government noted that inadequate communication facilities were a major hindrance to closer economic cooperation. They stressed the importance of developing infrastructure and an adequate communication network for reinforcing and accelerating the process of economic cooperation. In this context, they emphasized the importance of strengthening infrastructure such as transportation, communication and information for facilitating expansion of trade and investment.

8. Recognizing the importance of the private sector, the Heads of Government reaffirmed their determination to encourage the private sector to contribute increasingly in the areas of trade, investment and finance.

9. The Heads of Government underlined the importance of the effective use of human resources and their continued upgrading and enrichment through education, skills training and improved health, sanitation and nutrition. There was scope for cooperation through utilization of institutional and training facilities.

10. Reiterating their commitment to the liberalization of trade in the region, the Heads of Government reaffirmed the goal of achieving a free trade area in South Asia by 2001. They agreed on the need to progressively reduce tariffs and remove quantitative restrictions, non-tariff and para-tariff barriers and other structural impediments to trade to achieve this goal. Recognizing the need to foster development of the least developed economies, they agreed to provide special trade concessions for the least developed countries of the region on a non-reciprocal basis for the development of equitable trade relations with those countries.

11. They also emphasized the need for harmonization of customs procedures, improvement of shipping and port facilities and simplification of visa procedures for rapid growth of trade. In this context, they reiterated their commitment to accelerate regional cooperation and underscored that regional cooperation was indispensable in an interdependent world.

12. Noting that cooperation in the field of science and technology was imperative in ensuring global competitiveness and acceleration of the process of development in the region and recognizing the progress made in this field, the Heads of Government emphasized the need to continue cooperation in this area, especially in facilitating research and exchange of information in the fields of technology, energy, engineering and low-cost housing.

13. The Heads of Government were of the view that greater consultations among the delegations of these countries in international forums on issues of common concern would be in the interest of all. Adoption of a coordinated approach on the issue of investment and on labour standards, environment and other technical barriers to trade in the World Trade Organization would be particularly important.

14. The Heads of Government felt that the Summit had been very constructive and useful. They expressed their desire to continue this kind of initiative and take follow-up action.

15. The Heads of Government of India and Pakistan congratulated the Prime Minister of Bangladesh for taking the initiative to host a Business Summit. They were of the view that this Summit would greatly contribute to strengthening mutual cooperation. They expressed their sincere appreciation for the manner in which the Prime Minister of Bangladesh had conducted the meeting and guided the proceedings. They also expressed their deep gratitude for the warm and generous hospitality extended to them by the Government and people of Bangladesh.